

LOS ANGELES COUNTY ECONOMIC FORECAST

Los Angeles County is the largest county in California, with 10.3 million residents and 4.4 million wage and salary jobs.

After several years of a rapidly improving labor market, job growth slowed in 2017. The county gained 50,600 jobs, representing a growth rate of 1.2 percent, whereas all of Southern California grew by 1.7 percent.

Job creation slowed because the L.A. County economy has reached “full employment” conditions, meaning that almost everyone who wants a job already has a job. The county's unemployment rate improved to 4.7 percent in 2017, which is near its lowest sustainable level.

The largest job gains in 2017 were in professional business services, healthcare, and leisure services. Weakness was observed in manufacturing, as clothing makers moved their facilities to other countries, and in the entertainment industry as fewer shoot-days were held on TV and movie sets.

The retail industry is also beginning to diverge, with job losses in sectors that face heavy online competition (such as clothing stores and sporting good stores) and gains in other sectors (like grocery stores and car dealers).

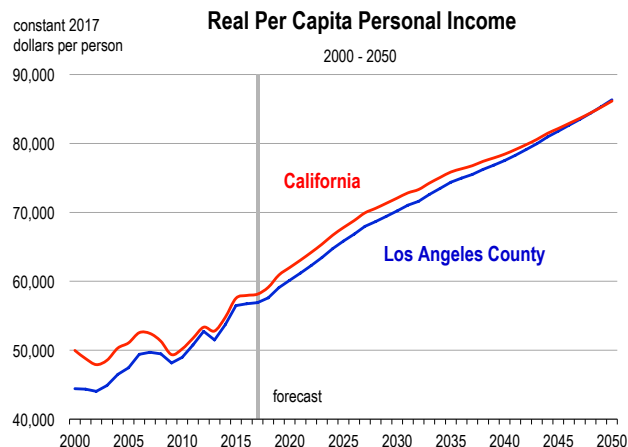
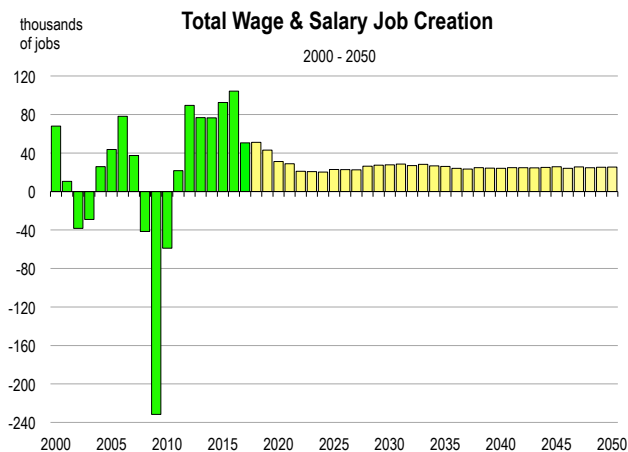
Los Angeles County is in the middle of a construction surge. More than 22,000 homes were built in 2017, and \$6 billion was invested into non-residential structures. Much of this activity is occurring downtown, where thousands of apartments and condos are being built alongside new offices and hotels.

But even with this surge in construction, housing production is not keeping pace with population growth. Housing prices are reaching problematic levels, and many households have to spend more than 35 percent of their income on mortgage and rental payments. Housing costs are rising faster than incomes, making homes less affordable for the local population.

High housing prices are driving some residents out of L.A. County. Between 2012 and 2017, an average of 10,100 net migrants left the county each year. The natural increase (new births) was responsible for all population growth, and the overall population grew by 0.6 percent per year.

FORECAST HIGHLIGHTS

- Total employment is expected to increase by 1.2 percent in 2018, and by an annual rate of 0.6 percent through 2023.
- Employment growth will be led by education and healthcare, leisure and hospitality, and professional business services. Together, these industries will account for 72 percent of net job creation between 2018 and 2023.

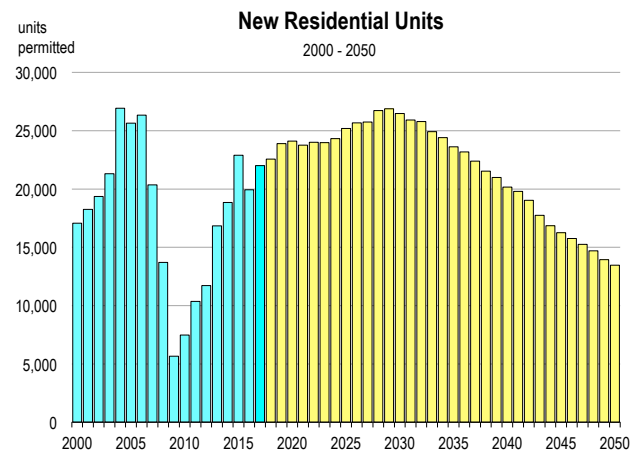
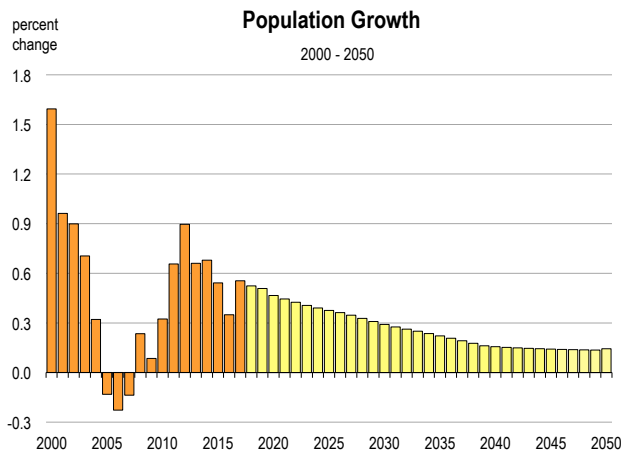


- Average salaries are slightly lower in Los Angeles County than they are across the state. Real average salaries in Los Angeles County are expected to increase by 1.8 percent per year over the next 5 years, which will be similar to statewide growth.
- Real per capita income will increase by 1.9 percent per year through 2023.
- Over the 2018-2023 period, an average of 24,000 new housing permits will be issued each year. Many of these will be in high rise structures in the downtown region. Several thousand units could also break ground in the Newhall Ranch project, located in the Santa Clarita Valley, but pending legal action could lead to delays.
- From 2018 to 2023, population growth will average 0.5 percent per year. The natural increase will be responsible for all of this growth, as net migration will be negative.

Los Angeles County Economic Forecast

2010-2017 History, 2018-2050 Forecast

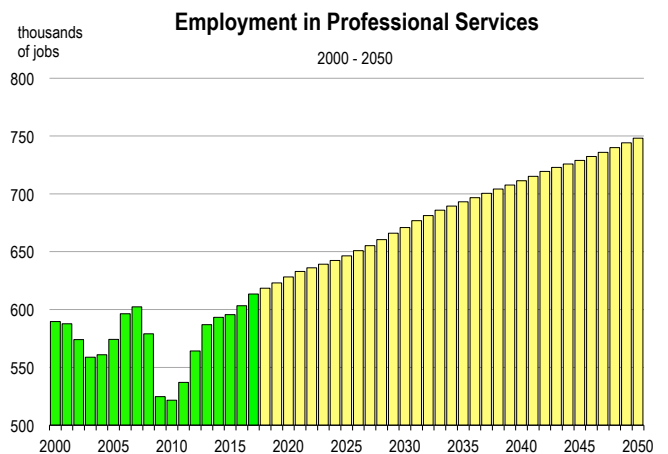
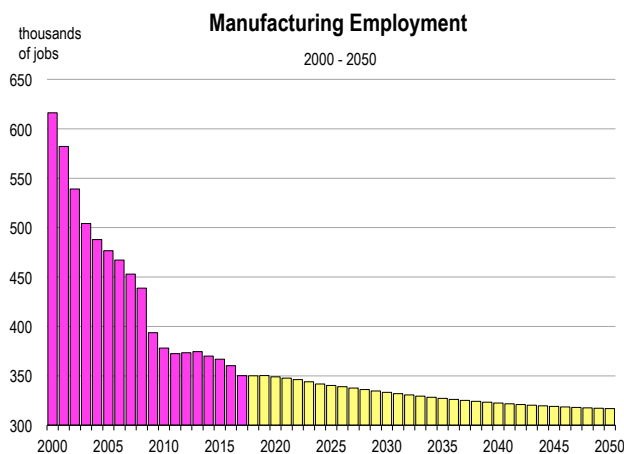
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	9,837,011	-47,019	7.4	3,239.3	7,468	\$116.9	\$424.8	\$48,982	1.2	197.4	106.7	12.5
2011	9,901,530	-10,098	7.4	3,244.5	10,362	\$126.4	\$454.9	\$50,756	2.7	191.2	102.4	12.2
2012	9,990,250	17,498	7.4	3,253.8	11,715	\$135.3	\$486.7	\$52,748	2.0	205.7	105.8	10.9
2013	10,056,283	-4,495	7.6	3,266.5	16,850	\$140.1	\$483.6	\$51,505	1.1	214.8	109.5	9.8
2014	10,124,610	-2,942	7.7	3,277.7	18,841	\$147.4	\$514.5	\$53,707	1.3	242.7	112.0	8.3
2015	10,179,482	-13,104	7.8	3,291.0	22,892	\$151.0	\$549.1	\$56,492	0.9	201.3	113.1	6.6
2016	10,215,103	-26,039	8.1	3,289.2	19,936	\$154.2	\$563.9	\$56,745	1.9	193.6	112.8	5.2
2017	10,271,792	-3,706	8.3	3,308.1	22,010	\$159.1	\$584.6	\$56,913	2.8	207.1	113.7	4.7
2018	10,325,620	-4,368	8.4	3,325.6	22,568	\$163.8	\$611.1	\$57,602	2.7	205.9	116.9	4.2
2019	10,378,110	-4,720	8.6	3,343.6	23,896	\$169.2	\$643.9	\$59,082	2.2	204.8	117.1	3.9
2020	10,426,470	-7,509	8.7	3,362.1	24,112	\$176.2	\$679.8	\$60,158	3.2	203.7	118.2	4.0
2021	10,472,870	-8,272	8.7	3,381.3	23,765	\$182.2	\$712.9	\$61,203	2.6	202.7	120.6	4.1
2022	10,517,390	-8,846	8.8	3,400.7	24,012	\$188.1	\$747.2	\$62,280	2.6	201.7	122.8	4.3
2023	10,560,090	-9,212	8.8	3,420.4	23,981	\$194.1	\$783.2	\$63,437	2.5	200.8	125.1	4.4
2024	10,601,330	-9,188	8.9	3,440.2	24,325	\$200.3	\$820.8	\$64,728	2.3	199.9	127.4	4.6
2025	10,641,160	-8,989	8.9	3,460.4	25,196	\$206.9	\$856.4	\$65,841	2.2	199.1	129.5	4.7
2026	10,679,740	-8,657	8.9	3,480.9	25,676	\$213.3	\$891.2	\$66,852	2.1	198.3	131.7	4.7
2027	10,716,790	-8,423	8.9	3,501.9	25,749	\$220.0	\$927.6	\$67,969	2.0	197.5	134.0	4.7
2028	10,751,900	-8,596	8.9	3,523.1	26,732	\$226.7	\$962.3	\$68,679	2.3	196.8	136.3	4.7
2029	10,785,090	-8,815	8.9	3,544.8	26,886	\$233.3	\$997.0	\$69,445	2.1	196.1	138.7	4.7
2030	10,816,480	-9,005	8.9	3,566.8	26,478	\$240.2	\$1,031.9	\$70,231	2.0	195.4	141.2	4.7
2031	10,846,320	-9,131	8.9	3,588.9	25,922	\$247.7	\$1,067.0	\$71,041	1.9	194.8	143.7	4.7
2032	10,874,800	-9,208	8.9	3,610.9	25,790	\$256.0	\$1,101.5	\$71,610	2.1	194.2	146.3	4.7
2033	10,902,000	-9,312	8.9	3,632.8	24,923	\$263.9	\$1,139.0	\$72,599	1.7	193.7	149.0	4.7
2034	10,927,710	-9,464	8.9	3,654.3	24,410	\$272.2	\$1,178.5	\$73,505	1.9	193.1	151.7	4.7
2035	10,951,950	-9,658	8.9	3,675.5	23,623	\$280.5	\$1,219.8	\$74,392	2.0	192.6	154.5	4.7
2036	10,974,680	-9,897	8.8	3,696.1	23,184	\$289.3	\$1,261.9	\$74,975	2.4	192.1	157.4	4.7
2037	10,995,790	-10,179	8.8	3,716.4	22,395	\$298.1	\$1,305.8	\$75,521	2.5	191.7	160.3	4.7
2038	11,015,250	-10,493	8.8	3,736.0	21,535	\$306.7	\$1,351.7	\$76,253	2.3	191.2	163.3	4.7
2039	11,033,090	-10,805	8.8	3,755.1	20,994	\$315.5	\$1,399.4	\$76,868	2.5	190.8	166.4	4.7
2040	11,050,360	-10,110	8.8	3,773.7	20,168	\$324.3	\$1,447.9	\$77,514	2.4	190.4	169.6	4.7
2041	11,067,190	-9,221	8.8	3,791.8	19,800	\$332.8	\$1,497.2	\$78,282	2.2	190.1	172.9	4.7
2042	11,083,720	-8,289	8.8	3,809.4	19,034	\$341.3	\$1,547.6	\$79,101	2.1	189.7	176.3	4.7
2043	11,099,960	-7,344	8.8	3,826.5	17,746	\$349.7	\$1,598.9	\$79,967	2.0	189.4	179.7	4.7
2044	11,115,980	-6,393	8.8	3,842.9	16,855	\$357.9	\$1,651.0	\$80,960	1.8	189.0	183.3	4.7
2045	11,131,760	-5,431	8.8	3,858.6	16,255	\$366.5	\$1,704.5	\$81,795	2.0	188.7	186.9	4.7
2046	11,147,340	-4,464	8.7	3,873.6	15,758	\$375.0	\$1,758.2	\$82,644	1.9	188.4	190.6	4.7
2047	11,162,790	-3,486	8.7	3,888.0	15,256	\$383.8	\$1,813.6	\$83,506	1.9	188.2	194.5	4.7
2048	11,178,120	-2,501	8.7	3,901.9	14,700	\$392.7	\$1,871.4	\$84,408	1.9	187.9	198.4	4.7
2049	11,193,340	-1,503	8.7	3,915.4	13,943	\$401.9	\$1,932.0	\$85,364	1.9	187.6	202.4	4.7
2050	11,209,460	502	8.6	3,928.3	13,468	\$411.3	\$1,995.5	\$86,364	1.9	187.4	206.6	4.7

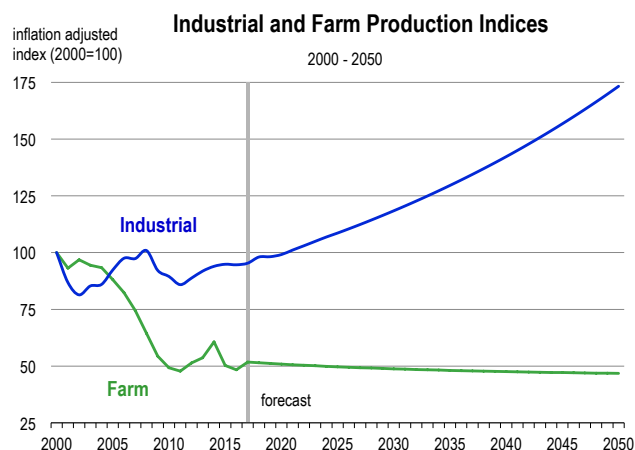
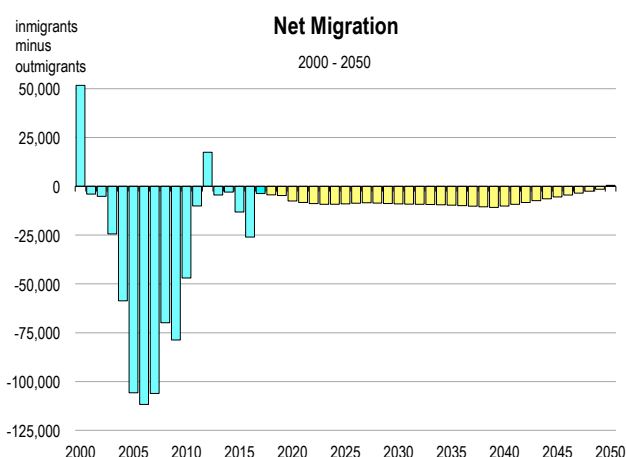
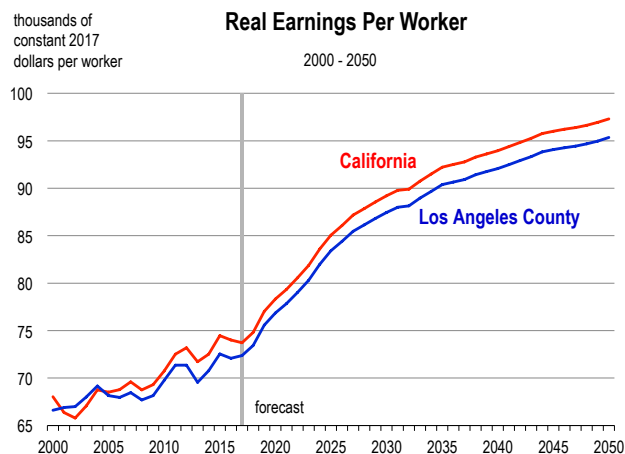
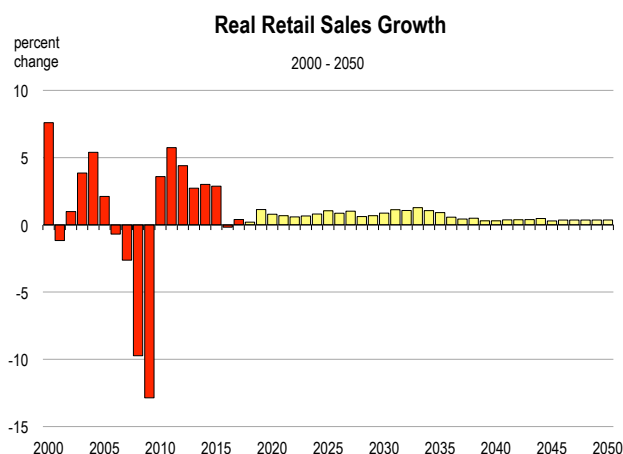


Los Angeles County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2010	3,929.0	6.23	103.7	378.2	150.6	589.9	211.1	521.7	192.0	670.5	384.8	579.6
2011	3,950.7	5.63	104.0	372.4	151.8	598.8	210.1	537.0	192.5	677.3	394.7	565.5
2012	4,040.3	5.40	107.6	373.3	154.5	612.9	212.4	564.1	192.1	699.5	415.8	556.8
2013	4,117.2	5.48	114.6	374.4	157.5	624.3	213.0	586.9	197.0	702.1	440.5	551.2
2014	4,193.9	5.20	118.5	370.0	163.4	635.5	211.2	593.3	198.8	720.7	466.6	556.2
2015	4,286.5	4.98	126.2	366.8	171.5	644.9	215.5	595.5	207.5	741.1	489.1	568.5
2016	4,390.8	5.33	133.9	360.3	182.3	646.7	219.8	603.2	229.2	767.6	510.0	576.7
2017	4,441.4	5.77	137.7	350.1	191.8	647.0	221.1	613.4	214.5	794.3	523.9	585.5
2018	4,492.6	5.76	139.2	350.0	193.5	647.3	222.6	618.4	216.1	817.6	534.1	589.3
2019	4,535.6	5.76	140.4	350.2	197.0	649.3	223.5	623.0	217.1	832.0	542.7	594.9
2020	4,566.8	5.75	141.4	349.0	197.6	650.8	226.0	628.2	217.9	840.8	547.9	600.2
2021	4,595.7	5.75	142.0	347.7	197.7	652.1	227.2	632.9	218.8	850.1	553.9	605.0
2022	4,616.8	5.74	142.5	346.2	197.8	653.3	228.2	636.1	219.5	858.6	560.6	604.4
2023	4,637.5	5.74	143.0	344.0	198.0	654.6	228.8	639.2	220.4	867.3	567.3	604.1
2024	4,657.7	5.73	143.6	341.7	198.4	656.2	229.3	642.4	221.1	876.1	572.6	604.2
2025	4,680.7	5.73	144.4	340.2	198.6	658.2	230.3	646.4	222.2	884.7	576.4	605.7
2026	4,703.5	5.73	145.3	339.0	198.9	659.9	231.1	650.9	223.5	892.7	579.8	607.3
2027	4,726.0	5.72	146.1	337.6	199.2	661.6	231.2	655.2	224.7	901.7	582.8	609.2
2028	4,752.4	5.72	146.9	336.1	199.4	662.9	232.2	660.4	226.5	913.8	585.6	610.2
2029	4,779.8	5.72	147.6	334.6	199.6	664.3	233.1	666.0	227.9	926.4	588.7	611.7
2030	4,807.6	5.71	148.0	333.3	199.8	666.0	233.5	670.9	229.4	939.3	592.3	613.9
2031	4,836.1	5.71	148.1	331.9	200.0	668.1	233.9	676.8	230.3	952.3	596.2	615.7
2032	4,863.1	5.71	148.3	330.7	200.2	670.1	234.4	681.2	231.6	965.2	600.3	617.0
2033	4,891.4	5.70	148.1	329.4	200.4	672.5	234.6	685.9	232.4	978.1	604.4	619.7
2034	4,918.1	5.70	148.0	328.3	200.7	674.5	235.1	689.4	233.3	991.0	608.5	621.9
2035	4,944.2	5.70	147.6	327.2	200.9	676.3	235.6	693.1	234.1	1,004.0	612.7	623.8
2036	4,968.3	5.70	147.0	326.1	201.1	677.6	236.0	696.7	235.0	1,017.0	617.0	624.5
2037	4,991.7	5.69	146.1	325.1	201.4	678.5	236.2	700.5	235.8	1,030.1	621.3	624.9
2038	5,016.5	5.69	145.9	324.2	201.6	679.6	236.4	704.2	236.7	1,043.2	625.6	625.9
2039	5,040.9	5.69	146.1	323.3	201.8	680.3	236.7	707.6	237.5	1,056.4	629.9	626.3
2040	5,065.0	5.69	145.6	322.5	202.0	681.0	237.0	711.3	238.3	1,069.5	634.3	627.0
2041	5,089.8	5.69	144.9	321.7	202.3	681.8	237.3	715.1	239.1	1,082.6	638.7	628.4
2042	5,114.6	5.68	143.3	320.9	202.6	682.7	237.6	719.4	239.9	1,095.6	643.2	630.0
2043	5,139.2	5.68	141.8	320.3	202.9	683.5	237.9	722.9	240.7	1,108.6	647.7	631.9
2044	5,164.3	5.68	140.5	319.6	203.3	684.5	238.3	725.8	241.6	1,121.6	652.2	634.5
2045	5,190.1	5.68	140.3	319.0	203.6	685.2	238.7	728.9	242.4	1,134.7	656.7	636.4
2046	5,214.2	5.68	137.8	318.5	203.9	686.0	239.1	732.3	243.2	1,147.8	661.3	638.7
2047	5,239.9	5.68	136.4	318.0	204.2	686.8	239.5	735.9	243.9	1,161.0	666.0	641.0
2048	5,264.6	5.68	133.4	317.6	204.6	687.6	239.8	740.0	244.7	1,174.3	670.6	643.4
2049	5,289.8	5.67	130.6	317.2	204.9	688.4	240.2	744.1	245.5	1,187.7	675.4	645.7
2050	5,315.3	5.67	128.0	316.8	205.3	689.2	240.6	748.1	246.3	1,201.1	680.1	648.0





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	3.9%
Expected job growth:	3.2%
Fastest growing jobs sector:	Leisure Services
Expected personal income growth:	12.6%

Expected population growth:	2.3%
Net migration to account for:	0%
Expected growth in number of vehicles:	4.7%

Demographics (2018)

Unemployment rate (April 2018):	4.0%
County rank* in California (58 counties):	28th
Working age (16-64) population:	67.0%

Population with B.A. or higher:	30.6%
Median home selling price (2017):	\$560,000
Median household income:	\$64,228

Quality of Life

Violent crime rate (2016):	539 per 100,000 persons
County rank* in California (58 counties):	43rd
Average commute time to work (2018):	34 minutes

High school drop out rate (2017):	12.0%
Households below poverty line (2018):	13.5%

* The county ranked 1st corresponds to the lowest rate in California